

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

February 29, 2000

FROM: MANUEL AHUERO, Director
Real Estate Services Department

**SUBJECT: LEASE AMENDMENT FOR FLOOD CONTROL DISTRICT PROPERTY IN
JOSHUA TREE**

RECOMMENDATION: Acting as the Governing Body of the Flood Control District (FCD), Zone 1, approve the First Amendment to Lease Agreement, Contract No. 95-313, with Garry's Tires, Inc. (tenant) for the FCD's right-of-way located at Twentynine Palms Highway and Quail Wash in Joshua Tree.

BACKGROUND INFORMATION: On May 9, 1995, the Board of Supervisors approved a five-year lease with Garry's Tires, Inc. for 753 square feet along the FCD's right-of-way in Joshua Tree. Tenant uses the property as access to its servicing of large vehicles in its vehicular tire business that is located at 62485 Twentynine Palms Highway, adjacent to FCD's property.

This lease has been in holdover since December 31, 1999, awaiting a current market study. FCD is receiving rent as provided for by the holdover clause in the lease agreement during the negotiations of the amendment. The First Amendment extends the term of the lease through December 31, 2004. During the first year of the extended term, the rent will remain the same as the previous year. FCD will receive an annual payment of \$584 (\$.776 per square foot per year) which is consistent with the market analysis by Real Estate Services Department Appraisal Division. The rental payment will increase by 2.5% annually through the end of the term. This amendment includes language that allows the District to terminate the lease with 90-day notice to the tenant.

REVIEW BY OTHERS: This agenda item has been reviewed by FCD and approved as to legal form by Deputy County Counsel Charles Scolastico on January 18, 2000.

FINANCIAL IMPACT: FCD will receive annual lease payments of \$584 (\$.776 per square foot per year) for the first year of the lease and payments will increase by 2.5% annually.

SUPERVISORIAL DISTRICT: 1

PRESENTER: Manuel Ahuero

SH: 7-2794

bas: 7-2792

Record of Action of the Board of Supervisors